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distribution of locally produced programming on their airwaves.

So how did we get to this point? I believe that localism has declined over the past 30 years because media performance and media regulation has enthusiastically embraced a market model and has kept at arm's length a public interest/public space model of media. Today the dominant framework within the media industry is the market model. Assessing media performance, using universal currency of business success: Profits.

Within the market model, people are viewed as consumers, and media should target potential consumers; however, given what is at stake, we can no longer treat media content as merely another product produced and unregulated, or, at best, minimally regulated marketplace. We need to reshape media perceptions, performance, and regulation by fully embracing the public interest, public space, public sphere model of media.

This model suggests that society's needs cannot be met entirely through an unregulated or minimally regulated media market system. It views people as citizens, not consumers. The public interest/public model suggests that unregulated media markets are

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undemocratic, amoral, and ill equipped to meet the distinctly social needs; for instance, providing information vital to a robust democracy, information that will lighten, challenge, and also entertain.

Profitability can no longer be the sole indicator of a healthy media industry. Instead, other public interest criteria, such as diversity, substance, and localism must be used to judge the performance of media.

So how do we shift from this market model approach to a public sphere model? How do you, the FCC, and we the public promote localism in broadcasting? I have four recommendations, both structural and behavioral in nature:

First, we need to create real local competition by repealing the virtually unregulated ownership rules set forth in the Telecommunication Act of 1996.

(Audience applause.)

As I heard the community voices in the open public forum, we also need to clean up the mess that we've -- that we have in the low-power FM arena.

Second, we need to bring back the Fairness Doctrine. I know this is controversial --

(Audience applause.)

-- but the doctrine does fit within a public interest/

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public sphere model of media. Requiring broadcast licensees to present controversial issues of public importance is localism.

Third, we need stricter enforcement of the Children's Television Act of 1990. We need locally produced educational programming to assist in educating and socializing our children.

Finally, and perhaps most important, we need a strong ascertainment of the license renewal process.

(Audience applause.)

We should not have to convene an FCC Localism Task Force to determine if and how Portland broadcasters are meeting their public interest obligation's. This should take place in local markets on a regular basis.

In conclusion, a licensee of a television and radio station holds a sacred trust with the public. Television and radio programming has powerful effects. It is for this reason that we need stronger regulation to ensure that broadcasters are outstanding stewards for our public, and, therefore, local airwaves. We need stronger regulation that ensures the public interest model of media, not just a market model of media.

I thank you for your time.

(Audience applause.)

MR. ENSSLIN: Cynthia Phinney, you have five

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minutes.

MS. PHINNEY: My name is Cynthia Phinney, and I'm the elected business manager of IBEW Local 1837. We represent approximately 1600 members in Maine and New Hampshire, most of whom work in electric utilities, and some of whom work at television broadcasting stations. We have members in Portland, Maine who work at WGME-TV 13 which is owned by Sinclair Broadcasting, a large national media company headquartered in Maryland, and members who work in Bangor, Maine at WABI-TV 5 which is owned by Diversified Communications, a small multistate company headquartered in Portland, Maine.

As media consumers, it is critically important for our members to see good programming covering labor issues, both nationally and locally, as well as other issues which they need to engage as civic participants in our democratic society. To participate intelligently it is critically important that they have access to a variety of perspectives and opinions on the issues.

As an organization that is sometimes in the position of generating news ourselves, we find different media outlets have very different levels of interest in covering our issues. It seems crystal clear to us that if only one or two companies are setting the agenda for what will or will not make it onto the public airwaves,

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what the public is given as news or programming will reflect only what the priorities of those one or two companies happen to be.

(Audience applause.)

Much of the focus of this hearing is on that very topic: Quality, depth and breadth of news coverage and programming. I would like, therefore, to also address another aspect of the issue, that of labor relations and working conditions for local people employed in the industry.

We represented members of WGME for over 25 years prior to its acquisition by Sinclair Broadcasting in 2000. Working with Sinclair's national management, we have found that the parent company, more often than not, wishes to simply bring the Maine operations under the same policies and practices that Sinclair has chosen in other states. And at the negotiating table, they are largely unwilling to consider variations unless we can exert serious leverage to force them to. And while we certainly had disagreements with the old WGME, this is in stark contrast to the negotiation with WGME prior to the sale where both sides left the table with a sense that a positive cooperative agreement had been achieved.

Additionally, none of us can remember ever having

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to take a grievance to arbitration prior to coming under the Sinclair umbrella. When issues arose, typically we were able to work them out to mutual satisfaction, or to relatively amicably agree to disagree because they weren't issues that threatened to undermine the core value of our contract or undermine the well-being of the employees.

With a large parent company with a national focus and a desire for a homogenous national operation, we find that the ink is barely dry on a contract before management is seeking loopholes to accomplish what wasn't negotiated.

At WGME, this lack of cooperation is so severe that Region 1 of the National Labor Relations Board has authorized issuance of an unfair labor practice complaint for unlawful interference with a union steward.

(Audience applause.)

We also find that the atmosphere at WGME now differs significantly from the atmosphere at WABI, where things continue to function relatively smoothly as that company continues to operate under a philosophy of local focus.

It is also the opinion of our members in the Bangor area that WABI provides some of the best public service

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and local programming in the Bangor television market. The general feeling of our members who work at WGME is that the focus is far more on the bottom line than on community public service or quality local programming. I understand from our members there that what looked like public service announcements on WGME are actually often paid spots. This is demoralizing to the employees because it feels to them like a sham.

In both industries that our local union serves, we find, in general, that the larger and farther away the parent, the less interest there is in any local concern or condition. While in some industries economies of scale make it possible -- may make it possible for a larger company to provide more options and better wages and benefits for employees, our experience in this industry has been that a larger company serves neither the community nor the work force better.

Thank you very much for your time.

(Audience applause.)

MR. ENSSLIN: Thank you, Ms. Phinney.

Mr. Shaffer, you have five minutes.

MR. SHAFFER: Good evening. I'm Jim Shaffer, and while I'm currently Dean of the School of Business at the University of Southern Maine, my first career was as a media executive. In the '70's and '80's I worked with

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daily and weekly newspapers. In the '90's I was CEO of Guy Gannett Communications, which was based in Portland, but had newspaper, television, radio, and other media properties in eight states. Our seven TV stations and four radio stations included Cynthia's station at the time, Channel 13, here in Portland.

The point is, I've been on both ends of the TV localness equation. In Portland, we were known as local operators. In our other markets, we were the out-of-town absentee owners, and I was one of the allegedly evil absentee executives running the show.

But frankly, we took the same local pride in our out-of-town stations as we did in our local station. In all cases, local managers were intensely concerned with their news rating, and this caused them to focus on understanding their markets and serving their individual markets. And while our owners had plenty of altruistic values, one of the reasons that we executives pursued localness was because we had an economic incentive to do it. We were in the business of selling advertising, and ad rates were driven by the ratings. So we listened hard to our audiences, and we did this whether the station was in our headquarters market or not. So localism to us was just good business.

So I fail to see how localism necessarily is



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detracted by out-of-town ownership. But there is a problem with localism, and I see this as driven by two factors: First, there has been a long-standing conflict between broadcasting and localness. The nature of over-the-air TV technology is that the reach of the transmitter defines the market. For example, Portland stations reach well into New Hampshire. One of them even broadcasts from New Hampshire. So local TV is more often regional. In the case of weather, this works because weather is regional as well. But in the case of local town government, schools, or other local information, it often doesn't work because the localness sought is too local.

But a second newer factor that fights localism is that ad-supported journalism is in trouble, both in print and in broadcast. The old model centered around generating a large enough audience to attract advertisers, and then advertisers paid for the journalists. So big city stations and newspapers had big newsrooms, and small town stations had small newsrooms.

Well, however, today, the traditional media markets are fragmenting, and in some cases shrinking so that the ad base supports fewer journalists. As much as we citizens have liked to criticize the commercial media

for its biases and indulgence, I hate to say it, but this is likely to get worse, more often, than better. But this is not driven by concentrating ownership, it's driven by more deteriorating economics which is caused by technology.

Well, fortunately, help is on the way. While the Internet is worldwide, it can also be intensely local, at low cost. There is a terrific example of Internet localism in Maine in the form of VillageSoup.com, which hosts community sites in Waldo and Knox counties. Check it out. VillageSoup.com. You'll find localism alive and well. The sites supports local news, opinion, advertising, postings, passions, archives and activism. As long as the Internet remains essentially free and unrestricted, I predict that these sites will flourish and serve their communities --

AUDIENCE MEMBER: Net neutrality.

-- regardless of who owns them, frankly. Again, this is because it's just good business.

So what can the FCC do to help localism? Help foster sites like Village Soup. I'm running out of time, but let me tick off a few. One is net neutrality, okay? The FCC should enhance people's access to broadband Internet and be sure that Internet service providers are neutral common carriers that cannot

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restrict content.

(Audience applause.)

Thanks, but I've got some other good ones, and I'll need the time now.

Third, I mean, help people become media educated. The poor, the immigrants, the uneducated can go to the library and access the Internet, but many don't now how.

MR. ENSSLIN: Mr. Shaffer, your time is up.

MR. SHAFFER: Okay.

(Audience applause.)

MR. ENSSLIN: Thank you.

Mr. Stone.

MR. STONE: Good evening, Commissioners. I'm Tim Stone, and a founding member of WSCA-LP Portsmouth Community Radio. We're a 100 watt LPFM station located an hour south on the Maine/New Hampshire border. I'm thrilled to have been invited to join this panel and speak about my experience with low-power FM, an incredibly vital player in community access to the media and media localism. It doesn't get any more local than LPFM.

In June 2000, the first meeting was held to gather community members who were interested in starting an LPFM station. It's almost seven years to the day that

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we held that first meeting, and Portsmouth Community Radio has now been on the air for three years 24/7 broadcasting locally produced programming that is educational, challenging, diverse, and, best of all, produced by community volunteers. We went on the air with an invitation to the community to get involved, and now have over 100 volunteers passing through that door every week.

However, getting to that point was, by no means, easy. In the fall of 2000 we had already applied for one of the over 10 LPFM channels that were available to Portsmouth when the perversely titled Radio Broadcasting Preservation Act of 2000 was passed by Congress. The act eliminated close to 80 percent of the available channels, including our channel, sending us into limbo. After two years of waiting we were able to reapply for one of the two channels that now remained in Portsmouth. We were one of the lucky ones, since the majority of LPFM stations and applicants no longer had a frequency in their town.

Portsmouth Community Radio persevered and now boasts over 15 locally produced weekly public affairs shows with over 20 hours of unique talk, civic, cultural, news, and arts programs prepared by volunteer community members. We broadcast over 190 hours a week

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of music programs produced by live DJ's that feature numerous performances every week by local musicians who would otherwise have no access to the radio airwaves.

Our programming engages the community, either by having the city manager on the air the day after a city council meeting, producing a local weekly nonprofit feature show, interviewing local artists, or broadcasting the Portsmouth middle schools music department concerts on the air. That's only a snapshot of our programming.

In contrast, and ironically, New Hampshire's National Public Radio affiliate has only two locally produced programs that total less than eight hours a week. There's even a greater scarcity of locally produced programming on the commercial radio stations in the Portsmouth area. Without WSCA there would be virtually no regularly broadcast locally produced programming available to the residents of the Portsmouth area that focus on our community.

Therefore, it's vitally important that the FCC and Congress do everything in their power to take action to assign LPFM stations a status which would prevent encroachment from full-power stations and allow more LPFM stations on the air by permitting less spacing between channels. The local programming that comes from

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the enthusiasm and commitment of our volunteers at WSCA needs to be protected, and the ability to do that is in your hands, Commissioners.

Let's be honest about this. The opposition from NAB, the commercial broadcasters, and NPR to the closer spacing 100 watt stations has little to do with interference. Let's not forget the finding of the MITRE study which found there were no meaningful interference issues here. It has a lot to do with them just plain not wanting any competition from other -- competition for listeners or LPFM stations filling locations on the dial that they could otherwise expand into.

I think the comments we have received from our listeners say it best about the state of localism in commercial radio versus what's happening on our LPFM station. One listener wrote, I had stopped listening to radio until WSCA went on the air. Another said, you're doing a great job and also provide great community service with your news and music programs. And finally, I love the variety of programming on your station. It really reflects the independent spirit of Portsmouth. Keep up the great work.

In closing, I ask you to take action to ensure that stations like WSCA have protection from encroachment by other radio stations. Furthermore, I ask you to support

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the Local Community Radio Act which was just introduced in both the House and Senate. Passage of these bills is key to encouraging localism in media by opening up opportunities for hundreds of new LPFM stations in urban and suburban communities across the country.

Thank you for inviting me to speak this evening about our LPFM success story. I encourage you to check us out at [www.portsmouthcommunityradio.org](http://www.portsmouthcommunityradio.org) and see for yourselves media localism in action.

And I'll leave you with a saying that I read once awhile back about LPFM. It's not how far you reach, it's how close you reach.

Thank you.

(Audience applause.)

MR. ENSSLIN: Thanks you, Mr. Stone.

Mr. Vigue, you have five minutes.

MR. VIGUE: Thank you, Commissioners, FCC staff, members of our legislative delegation, municipal officials, members of the public, and all of you watching at home. I'm Tony Vigue, currently serving as the President of the Board of Directors of the Community Television Network, which is televising this entire event live from start to finish to over 100,000 homes in 13 towns in greater Portland on channels 2 and 4 of the Time Warner cable system. I appreciate, in particular,

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the invitation from Commissioner McDowell to speak as one of those other communications technologies, besides broadcasters and the Internet, that he might not be aware of.

I would like to make three points today on which I believe are relevant to this hearing. First, any discussion on media localism should include all video service providers, not just the broadcast spectrum. Video into the home, or by any means, should be regulated in the public interest if it arrives there over the public airwaves or over the public rights of way, our streets. As citizens and lawmakers, we allow the regulated use of these public spaces if they are to be used for the purpose of commercial profit.

So the overriding question here today seems to be how much regulation is good regulation. And there are those who will say, any regulation by government is considered intrusive and harmful to industry. And who says that? Well, usually it's the industry being regulated. The standard slogan is, leave us alone and the marketplace will regulate itself.

That's what we heard in 1996 when the cable operators promised Congress more competition and lower prices if they would deregulate it, and that's not what happened. Deregulation of industry always puts the



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public at a disadvantage, whether it is over safety or environmental issues, or the creation of monopolies through acquisitions which reduce competition in the marketplace. Too much regulation is bad, also, and there's a balance to be sought. And we need only to look at history for the lessons to be learned and the guidance that we need.

Secondly, the Public, Education and Governmental community television channels, or PEG channels as they're called, are the very essence of media localism. Maine is fortunate to have 85 such PEG access channels serving over 400,000 homes with more than 14,000 hours of local programming every week. Compare that number with the number of hours of local programs found on commercial television channels; programs ranging from municipal and school board meetings which we talked about earlier, to metal rock bands, Rotary Club guest speakers, and the Maine Video Activist Network.

Here in Portland CTN hosts a production, The Second Act, a program about and produced by seniors, call in shows like Law On The Line, and many others too numerous to mention here. We currently have over 200 locally produced programs in our playlist and it grows every week. We provide free promotional programming and announcements for more than 250 nonprofit organizations

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that don't have big advertising budgets. They provide local resources and services for residents in need which lessens the burden on our municipal departments.

Community television stations in Maine are also routinely used by municipal, county, and state government to get the word out with official announcements, programming, and notices of public interest, including the safety info from the Maine DOT we heard from earlier tonight. The majority of work at these stations is done either by volunteers or by the municipal government staff, in addition to their regular duties. In a few locations, like CTN here in Portland, a separate nonprofit organization been established to operate the public access channels with support from the communities they serve.

Financial support for the operation of 98 percent of these stations come directly from the franchise fees that the towns receive from cable operators. The franchise fee is a right-of-way fee that the town may assess the video service provider for the regulated use of the public right-of-way for commercial profit.

This is not a difficult concept to understand. Many of our more enlightened towns will use this fee to support community television rather than filling potholes. It's typically less than a 10th of a percent

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of the town's total budget, but when it's used to fund PEG channels, the value received by the community is both immediate and immense.

And the third point I wanted to make is the reason I'm here today. Recent actions by the FCC has put the support from the franchise fees in jeopardy. Last year following a failed multimillion dollar lobbying effort by the telecom industry to pass deregulation legislation, they concentrated on plan B; and that was to convince the FCC to issue a ruling which took place in March of this year.

And I take note that Commissioners Adelstein and Copps voted against this ruling.

What all this means to us here in Maine is this: There will be no new competition for video services to the home in 90 percent of the state where cable is currently installed. The two satellite providers are the only competition we'll ever have, and they don't have to carry community television channels, a fact that they neglect to tell people when they sign them up, by the way.

Phone companies are not interested in northern New England. They're concentrating the marketing in employment efforts in the more affluent, densely populated areas of the country.

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Please take the time and effort to study the full impact of your decisions before you make them. Listen to the input by the National League of Cities.

MR. ENSSLIN: Mr. Vigue, your time is up.

MR. VIGUE: Thank you for your time tonight.

(Audience applause.)

MR. ENSSLIN: Thank you.

Mr. Wark.

MR. WARK: Members of the Commission and public. My name is Gordon Wark I'm the President and General Manager of WAGM-TV in Presque Isle, Maine. That's about a five hour drive from here. The area is known simply in our state as the County, although some up there call it God's country although I'm not quite convinced he actually spends the winter there.

WAGM is somewhat unique, in that we are the only commercial station in the northern half of the state. We're in TV market number 204 out of 210, and we serve about 32,000 U.S. TV households. We're unique also in the fact that we are not owned by a corporation, we are owned by one man. His name is Peter Kozlosky, and he's about 15 miles from here probably with his foot up because he sprained his ankle.

For more than 50 years WAGM has been a window through which our viewers have watched the great world

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and national events of our lifetime, both joyous and tragic. But more importantly, we've been a mirror reflecting our viewers' own faces and stories, stories that are of little interest to the wide world, but of great interest to our smaller one.

Our news department's mission is local places, local faces. WAGM broadcasts more than three hours of local news each day, and over 90 percent of the news content is about the people, places, and the goings-on in our market. It's absolutely almost of no interest to anybody who comes to visit the area.

We also provide monetary and marketing support for many local charities, including long-term monthly commitments to Catholic Charities Maine to help supply the food banks in our area; and to grass roots organizations like Cadet, who -- an organization that is putting forth an effort to help keep the kids in our area drug free. Like any responsible broadcaster, we also provide thousands of dollars in additional local public service air time.

We also have a somewhat unique program. This fall we will broadcast the 4th season of our potato pickers special. That's a daily hour and a half program that links farmers and their crews with information on start times, weather, and help wanted. It doesn't get any

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more local than this. A parade of state and local characters --

(Audience applause.)

A parade of state and local characters and dignitaries show up at 4:00 a.m. to guest on the show, and you have an experienced local television. Until you've heard Senator Susan Collins discuss the price of round white potatoes, or representative Mike Michaud tell the story about driving a forklift on Capital Hill, which I personally have heard a number of times. I'm sure some of you have, also.

We do this type of local coverage not because of an any legal obligation, because it is what we do locally that draws our viewers to us, and our advertisers. WAGM-TV has been the highest rated television station in the United States year after year. Small audience, very loyal. Our 6:00 p.m. newscast averages a 38 rating, 68 share. I'm sure that -- and we're not counting moose in this, although our numbers would spike.

It's not because of a lack of competition. The area is almost 60 percent cable, making available the broadcast signals and newscasts from Bangor, along with hundreds of other network program offerings. Because of the rural nature of our state, just under 30 percent of the TV households subscribe to one of the two TV

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satellite services, also; neither of which, by the way, has been seen fit to begin providing local and local service in our market. So unless they can pull in our signal over the air, many households in our area can't enjoy the benefit of local programming from their local TV station.

This problem is only going to become greater after the analog shutoff in February of 2009. Lack of local television presence on satellite is something I view as a far greater threat to localism than anything I've heard here today. My station already does local well. We've done it well for more than 50 years, and we'd like to do it well for another 50 years.

We've spent millions of dollars to make the mandated transition to digital, and we look forward to all the opportunities the technology represents. To help ensure that that transition be a painless one for our viewers, I respectfully request that the Commission use its influence on both major satellite television providers to help achieve 100 percent local into local satellite delivery prior to the analog shutoff date of February 2009.

(Audience applause.)

I think that was seven seconds. I don't need it, though.

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I thank you for the opportunity to have my voice heard.

(Audience applause.)

MR. ENSSLIN: Thank you, Mr. Wark.

This concludes our second panel, and in just a few minutes we will hear from the public in the open comment period. But I want to thank the Panel for, again, some outstanding presentations.

And, Ms. Goucher, I'm the only staff person here with a vehicle, so I will take that back to Washington if you like.

MS. GOUCHER: We'll send it to you.

MR. ENSSLIN: If people have items or documents that they want us to include in the record, you can bring them up, and we'll take them back with us, and make sure they get available by the -- through the website on the docket.

So thank you, Panel.

And once again, at this time, there are a few individuals I would like to recognize who will be first speakers as the two minute public comment portion begins. And we want to turn this time clock around so that the audience can see it.

I want to thank the audience for the decorum and respect they showed with the second panel. After the



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two individuals that I mention, we will once again hear from members of the audience who signed up on the list. And I'll call 10 names at a time for this microphone here.

The individuals that I would like to call forward to this microphone to begin the public comment period now in the second half of our session today are the Honorable John Jenkins, the Lewiston mayor, mayor of Lewiston, Maine, if he's here. Mayor Jenkins.

And also state representative, the Honorable Meredith Strang Burgess, who is the District 108 State Representative, and is also the CEO of Burgess Advertising & Associates. So if Meredith Burgess is here, and if Mayor Jenkins is here.

Mayor Jenkins, thank you. This is the Honorable John Jenkins, Mayor of Lewiston, Maine. And you have two minutes.

MR. JENKINS: Thank you, sir, I would like to make one slight correction. I used to be the mayor of Lewiston, Maine. Now I'm the mayor of Auburn, Maine. So I didn't move too far.

MR. ENSSLIN: Wow. And I guess that's in the Auburn/Lewiston DMA?

MR. JENKINS: Yes, that's the LA thing. It's happening here.